



7 May 2021

Dear SCA Unlisted Retail Fund 2 (**SURF 2**) Investor,

We refer to our Fund Update of 19 February 2021 where we confirmed that the sale of SURF 2's final property, Katoomba Marketplace, completed on 16 February 2021.

The price received for the property was \$55.1 million which was 17.2% above the independent valuation at December 2019 (\$47.0 million) and the carrying value at June 2020 (\$47.0 million). This represents a gain of 23.3% above the original purchase price of \$44.7 million, paid in 2017. After repayment of debt, settlement of selling costs and other liabilities, and payment of a distribution of \$1.20 per unit in March 2021, the Fund has achieved an internal rate of return for unitholders of just over 12% (after all fund costs and fees).

Following the sale of Katoomba Marketplace, the Board of SCA Unlisted Retail Fund RE Limited, as responsible entity of SURF 2, resolved to wind up SURF 2 in accordance with the terms of its constitution. The wind up process is almost complete.

WHAT DOES TERMINATION OF THE FUND MEAN FOR YOU?

The proceeds from the sale of Katoomba Marketplace, less all of the Fund's liabilities (**Net Proceeds**), will be distributed to members in proportion to the number of SURF 2 units held. Below is the timeframe for the distribution of the Net Proceeds:

1. Payment of liabilities (including the secured debt facility) and expenses associated with the sale of SURF 2's final property – February 2021 – complete
2. Payment of Distribution of \$1.20 per unit – 11 March 2021 – complete
3. Payment of performance fee to Fund Manager – April 2021 – complete
4. Final residual distribution of \$0.0296 per unit to Unitholders – to be made on or about 7 May 2021
5. Completion of the Fund accounts – expected June 2021

The Constitution of SURF 2 provides that all Units in the Fund will be cancelled and taken to be redeemed from the date the final distribution of the Net Proceeds is made. The final distribution will be \$0.0296 per unit (\$296.00 per 10,000 units held). This distribution is expected to be made on or about 7 May 2021. The final wind up and de-registration of SURF 2 is expected to be completed by the end of calendar year 2021.

This is the final update you will receive in relation to SURF 2. You will receive your Attribution Managed Investment Trust Member Annual Statement for the period from 1 July 2021 to the termination date of the Fund by August 2021.

Thank you for investing in SURF 2.

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